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by attributing to it a proportion of the general expenses in addition to specific costs, it declared that no satisfactory method of distributing the general costs had been devised. It did not, however, indicate the criteria which it proposed to adopt when rates should be made a subject of complaint. In connection with applications for permission to exercise franchises and to issue new securities, the Commission intimated that when an enterprise sought to begin operation the question of a probable fair return on the capital invested and the effects of competition on previously existing companies were to be considered. The matter of service within the state was watched with care. Particular mention should also be made of the promulgation of a system of accounts for steam railroads in harmony with the system prescribed by the Interstate Commerce Commission, of the preparation of accounting systems for electric railways and for gas and electrical corporations, of the prompt report of accidents required, and of the provisions for the filing of tariffs.

It may be said for the Commission of the Second District as for that of the First that the first six months have been important mainly as indicating the ends which the Commission desires to attain and the methods which it intends to use. It is to be regretted that the Board has not published more extended opinions on the matters with which it has dealt. This all the more since its position on some points has been unusual. Enough has appeared to show that the powers conferred by statute will be vigorously and systematically exercised.

STUART DAGGETT.

Harvard University.

*Wisconsin Railroad Commission Reports.* Vol. 1. July 20, 1905, to July 31, 1907. (Madison, Wis.: 1908. Pp. 844).

The experience of Wisconsin in railroad commissions has been somewhat extensive. The first commission in the State was established in 1874. The third and most recent was created in 1905, with power to make rates and classifications, to enforce regulations for the furnishing, switching, loading, and unloading of cars, to control private tracks, to inspect books and to require reports from

carriers, to determine the cost of construction and reconstruction of Wisconsin railroads, and the like.

It is the first volume of the decisions of this most recent commission which is under consideration. From it we learn that during its two years' existence the commission has passed most frequently upon complaints of inadequate facilities. What it evidently regards as its most important work has been, however, the application of principles of cost accounting to the railroad business, in the expectation of securing figures from which the reasonableness of individual railway rates may be determined.

"While such statistics of average cost as well as their distribution among different classes of freight and commodities are not a matter of exact mathematical adjustment," it declares, "we are nevertheless convinced that such statistics are the only guide that can be provided with reference to the absolute reasonableness of a particular rate and the profitableness or unprofitableness of the same."

In accordance with this belief the Commission has taken pains between 1905 and 1907 to estimate the cost of moving specific commodities, including both special costs and a proper proportion of general costs. The application of these cost figures in actual rate-making has been beset with difficulties. The Commission has been disposed to consider about six per cent a fair profit on a valuation of railroad property which gives much weight to cost of reproduction. It has further held that each grade of commodities should be considered by itself. The rate of profit demanded from each grade should not of necessity be the same, but the rate on each should cover expenses, including a proportion of the general costs. In the brief space of a review, justice can scarcely be done to the elaborate analyses to which the Commission has subjected operating costs. There is no question, however, that much of the distribution insisted on has been arbitrary. Exception may also be taken to the statement that each grade of commodity should stand on its own footing, if by this is meant that in the expenses for each grade there should be reckoned the appropriate proportion of general expenses common to this and to other operations.

Aside from this point, the work of the new commission is entitled to much praise. Service in Wisconsin has been improved, and abuses have been corrected. Joint rates have in several instances

been introduced, classifications have been revised, and railroads have been prevented from leasing for private use facilities essential to their efficient operation as common carriers. In all this there has been no disposition to be unfair either to railroad or to shipper. The Commission has held that it has right of supervision over street as well as over steam railroads. The extension of its authority in 1907 over telephone service and the production, transmission, and delivery of heat, light, water, and power comes too late to affect the decisions reported in the volume under review.

STUART DAGGETT.

Harvard University.

*Federal Anti-Trust Decisions.* Cases decided in United States Courts arising under, involving, or growing out of the enforcement of the Anti-Trust Act of July 2, 1890, including a few somewhat similar decisions not based upon that Act. Prepared and edited by JAMES A. FINCH, by direction of the Attorney-General. 2 volumes. (Washington: Government Printing Office, 1907. Pp. xxxvi, 1210; xxxvi, 1204. \$2).

The interpretation given by our federal courts to the act popularly known as the Sherman anti-trust act, has excited so much controversy among all classes of people and has given the act a character so different from that contemplated by its author that economists, as well as lawyers, will welcome the publication in separate and convenient form of all the cases arising out of efforts to enforce its provisions.

Looking at this matter from the standpoint of the economist the cases may be roughly described as falling under three heads. (1) Capitalistic combinations among manufacturers or mine operators; (2) Railway combinations; (3) Labor combinations. The applicability of the act to each of these classes has constituted the chief ground of controversy in the federal courts.

A technical legal question of fundamental importance which had to be answered before a solution could be had of the main problems involved was this: What meaning is to be given to that phrase of the act which forbids "every contract or combination in restraint of trade" among the states? It seems to have been